

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re:

**CRANBERRY GROWERS COOPERATIVE,
(d/b/a CranGrow)**

Case No. 17-13318-cjf

Debtor.

Chapter 11

DECLARATION OF WINSTON MAR
IN SUPPORT OF FIRST DAY MOTION FOR DEBTOR-IN-POSSESSION FINANCING

I, Winston Mar, declare:

1. I am a Partner and Managing Director of SierraConstellation Partners (“**Sierra**”), an interim management and advisory firm and the financial consultant for Cranberry Growers Cooperative, a Wisconsin cooperative association (“**CranGrow**” or the “**Debtor**”), the debtor and debtor-in-possession in the above-captioned Chapter 11 bankruptcy case (the “**Chapter 11 Case**”). Subject to approval and authorization of the Bankruptcy Court, Sierra will be the Debtor’s financial consultant during the Chapter 11 Case. I will serve as the Debtor’s Chief Restructuring Officer.

2. I have personal knowledge of the facts set forth in this declaration (the “**Declaration**”) and the business affairs, operations, books and records, and financial condition of the Debtor, and I am authorized to submit this Declaration on its behalf. If called upon to testify, I would and could competently testify to the following.

3. This Declaration is filed in support of the following motion:

FIRST DAY MOTION FOR ENTRY OF INTERIM ORDER (I) AUTHORIZING POST-PETITION DEBTOR-IN-POSSESSION FINANCING, AND AS PART OF THE MOTION, GRANTING SUPER-PRIORITY CLAIMS TO THE DIP LENDER, (II) AUTHORIZING INTERIM AND FINAL APPROVAL OF THE USE OF CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO THE PRE-PETITION SECURED LENDER, AND (IV) SCHEDULING AN INTERIM HEARING ON AN EMERGENCY BASIS, AND A FINAL HEARING ON THE MOTION (the “**CoBank DIP Motion**”)

4. The Debtor commenced this Chapter 11 Case on September 25, 2017 (the “**Petition Date**”). The Debtor is operating its business as a debtor-in-possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108.

5. The Debtor’s pre-petition secured obligations consist of (a) all pre-petition obligations of Debtor to CoBank (including without limitation all principal, interest, default interest, fees, costs and expenses) under the Credit Agreement dated as of February 11, 2016 (as amended by the Amendment to Credit Agreement dated as of February 15, 2017, the Amendment to Credit Agreement dated as of June 2, 2017, and the Forbearance Agreement and Third Amendment to Credit Agreement dated as of August 17, 2017, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), the Amended and Restated Monitored Revolving Credit Promissory Note numbered 00100914S01-E dated as of September 22, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Revolving Note**”), and the Amended and Restated Multiple Advance Term Promissory Note numbered 00100914T01-A dated as of February 15, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Term Note**,” and together with the Revolving Note, collectively, the “**Promissory Notes**”), a Security Agreement dated February 11, 2016 (as amended, restated, supplemented or otherwise modified from time to time, “**Security Agreement**”), and a Real Estate Mortgage and Fixtures Financing Statement dated February 11, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “**Mortgage**”); the Credit Agreement, the Security Agreement, the Promissory Notes and the Mortgage, together with any and all related loan and security documents and all other instruments, agreements and other documents delivered in connection therewith, are referred to collectively as the “**Loan Documents**”); and (b) all other indebtedness, liabilities and obligations of the Debtor to CoBank. As of the Petition Date, CranGrow owed CoBank approximately \$8,100,000 under the Revolving Note and \$13,740,000 under the Term Note. These obligations are secured by the Debtor’s assets.

6. Attached hereto are the following documents evidencing the financing arrangements between CranGrow and its lender, CoBank ACB:

- Exhibit A:** Credit Agreement dated February 11, 2016
Amendment to Credit Agreement dated February 15, 2017
Amendment to Credit Agreement dated June 2, 2017
Forbearance Agreement and Third Amendment to Credit Agreement dated August 17, 2017
- Exhibit B:** Amended and Restated Multiple Advance Term Promissory Note numbered 00100914T01-A dated as of February 15, 2017
- Exhibit C:** Amended and Restated Monitored Revolving Credit Promissory Note numbered 00100914S01-E dated as of September 22, 2017
- Exhibit D:** Security Agreement dated February 11, 2016
- Exhibit E:** Real Estate Mortgage and Fixtures Financing Statement dated February 11, 2016
Mortgagee Partial Release dated June 24, 2016
- Exhibit F:** UCC Financing Statement filed January 13, 2016
UCC Financing Statement Amendment filed June 14, 2017
- Exhibit G:** Guarantee of Payment (Limited) by Daniel H. Rezin dated February 11, 2016
Guarantee of Payment (Limited) by Frederick C. Prehn and Linda E. Prehn dated February 11, 2016
Guarantee of Payment (Limited) by Gary G. Jensen dated February 11, 2016
Guarantee of Payment (Limited) by James Van Wychen dated February 11, 2016

Guarantee of Payment (Limited) by Kurt W. Rutlin dated February 11, 2016

Guarantee of Payment (Limited) by Linda M. Pionkowski dated February 11, 2016

Guarantee of Payment (Limited) by Raymond J. Habelman dated February 11, 2016

Guarantee of Payment (Limited) by Vicki Nemitz dated February 11, 2016

Exhibit H: Irrevocable Standby Letter of Credit No. 1293746500 dated January 19, 2016 (Vicki M. Nemitz)

Irrevocable Standby Letter of Credit No. 1297455700 dated January 18, 2016 (Linda M. Pionkowski)

Irrevocable Standby Letter of Credit No. 1293789300 dated January 18, 2016 (Frederick and Linda Prehn)

Irrevocable Standby Letter of Credit No. 1297131500 dated January 18, 2016 (Gary G. Jensen)

Irrevocable Standby Letter of Credit No. 1297127600 dated January 19, 2016 (Daniel H. Rezin)

Irrevocable Standby Letter of Credit No. 236 dated January 21, 2016 (James Van Wychen)

Irrevocable Standby Letter of Credit No. 1297126300 dated January 19, 2016 (Kurt W. Rutlin)

Irrevocable Standby Letter of Credit No. 1297127600 dated January 19, 2016 (Raymond J. Habelman)


Exhibit I: Resolution of the Board of Directors of Cranberry Growers Cooperative (Wausau, Wisconsin) adopted on January 13, 2016

7. Attached hereto are the following forms of documents to further evidence the DIP facility:

Exhibit J: Fourth Amendment to Credit Agreement

**Exhibit K: Amended and Restated Monitored Revolving Credit
Promissory Note numbered 00100914S01-F**

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that this Declaration was executed on September 27, 2017.



Winston Mar
Chief Restructuring Officer
Cranberry Growers Cooperative